

DEBT FUNDING

*Agreement signed at Washington May 26, 1932, modifying agreement of June 23, 1930¹
Operative from July 1, 1931*

Treasury Department print

AGREEMENT

MADE THE 26TH DAY OF MAY, 1932, AT THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA, BETWEEN THE GOVERNMENT OF THE GERMAN REICH, HEREINAFTER CALLED GERMANY, PARTY OF THE FIRST PART, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE UNITED STATES, PARTY OF THE SECOND PART.

WHEREAS, under the terms of the debt funding agreement between Germany and the United States, dated June 23, 1930,² there is payable by Germany to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of bonded indebtedness of Germany to the United States on account of the costs of the American Army of Occupation, the aggregate amount of 25,300,000 Reichsmarks; and

WHEREAS, the Secretary of the Treasury, with approval of the President, is authorized to make on behalf of the United States an agreement, relating to costs of the American Army of Occupation, with Germany on the terms hereinafter set forth, to postpone the payment of the amount payable by Germany to the United States during such year in respect of its bonded indebtedness to the United States on account of the American Army of Occupation;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of 25,300,000 Reichsmarks payable by Germany to the United States during the fiscal year beginning July 1, 1931 and

¹ See footnote 1, *ante*, p. 207.

² *Ante*, p. 207.

ending June 30, 1932, in respect of the bonded indebtedness of Germany to the United States on account of the costs of the American Army of Occupation, according to the terms of the agreement of June 23, 1930, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Germany to the United States in ten equal annuities of 3,058,098.90 Reichsmarks each, payable in equal semiannual installments on September 30 and March 31 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bonds numbered 4-B and 5-B, dated September 1, 1929, maturing on September 30, 1931 and March 31, 1932, respectively, in the principal amount of 12,650,000 Reichsmarks each, and delivered by Germany to the United States under the agreement of June 23, 1930, shall be retained by the United States until the annuities due under this Agreement shall have been paid.

2. Except so far as otherwise expressly provided in this Agreement, the provisions of the agreement of June 23, 1930, between Germany and the United States, relating to costs of the American Army of Occupation, shall remain in all respects in full force and effect. The payment of annuities under this Agreement shall be subject to the same terms and conditions as the payments under the agreement of June 23, 1930, above mentioned. The proviso in paragraph 5 of the agreement of June 23, 1930, authorizing the postponement of payments on account of principal, shall not apply to annuities payable under this Agreement. Nothing in this Agreement shall be construed as to affect in any respect other provisions of the agreement of June 23, 1930.

3. Germany and the United States, each for itself, represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the execution of this Agreement have been completed as required by the laws of Germany and the United States, respectively, and in conformity therewith. It is understood, however, that this Agreement is subject to ratification by Germany.

4. This Agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF, Germany has caused this Agreement to be executed on its behalf by its Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this Agreement to be executed on its behalf by the Secretary of the

Treasury, with the approval of the President, pursuant to a Joint Resolution of Congress approved December 23, 1931,³ all on the day and year first above written.

THE GERMAN REICH

By

FRIEDRICH W. VON PRITZWITZ UND GAFFRON

Ambassador Extraordinary and Plenipotentiary

THE UNITED STATES OF AMERICA

By

OGDEN L. MILLS,

Secretary of the Treasury

Approved:

HERBERT HOOVER,
President

³ 47 Stat. 3.